THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir.

(b) and (c) Do not arise in view of reply to part (a) above.

Action against Mutual Fund Companies

1621. SHRIMATI KAMLAMANHAR:
SHRI DHARAM PAL SABHARWAL:

Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that Mutual Fund players in India are adopting unhealthy and misleading practices to attract business;

(b) if so, what are the details of complaints received or noticed by SEBI in this regard; and

(c) whether SEBI has taken action against such mutual fund companies, and if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) The information is being collected and will be laid on the Table of the House.

Stride in credit card industry

1622. SHRIMATI PREMA CARIAPPA:
SHRI JANARDAN DWIVEDI:
SHRI MOTILAL VORA:

Will the Minister of FINANCE be pleased to state:

(a) whether credit card industry representing plastic money has made tremendous strides during the years 2003-2004 and 2004-2005;

(b) if so, the number of credit cards in circulation at the end of 2002-03, 2003-04 and 2004-05;

(c) what is the number of transactions made through credit cards during each of these years as compared with direct banking transactions each year;

(d) how far aggressive marketing by Direct Selling Agents (DSA) is responsible for such dramatic rise in plastic money transactions who make tall promises, promising moon without the infant and feasibility of fulfilling the same; and

(e) the check, if any exercised by Government on such DSAs?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM): (a) and (b) Rserve Bank of India (RBI) have reported that the number of cards issued by various banks at the end of March, 2003 was 6808409, March, 2004 was 9414300 and March, 2005 was 12252820 respectively.

The data is sourced from off-site returns submitted by banks and is provisional.

(c) to (e) Off-site returns do not capture transaction data or details of credit cards sold through agents.

Indian Bank's Association formed a Working Group to look into the various issues and evolved a Fair Practice Code for Credit card Operations of banks and a Model Code of Conduct for Direct Selling Agents.

New norms on credit cards

1623. SHRI K. RAMA MOHANA RAO:
SHRI RAMA MUNI REDDY SIRIGIREDDY:
SHRIMATI N.P. DURGA:

Will the Minister of FINANCE be pleased to state:

(a) whether RBI has issued new norms on credit cards to check intimidation against any person in debt collection measures;

(b) if so, the details of guidelines that have been issued by RBI; and

(c) what is the meaning of don't call registry?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM): (a) and (b) With a view to mitigate problems faced by credit card holders, the Reserve Bank of India has placed draft guidelines on credit card operations on its website www.rbi.org.in. The Draft Guidelines, *inter-alia,* include directions regarding issue of cards, interest rates and other charges, wrongful billing, use of Direct Sales Agents/ Direct Marketing Agents and other agents, protection of customer rights, redressal of grievances, internal control and monitoring system etc.